

SECTION J, ATTACHMENT J.4

PERFORMANCE EVALUATION AND MEASUREMENT PLAN
FISCAL YEARS 2022-2023

(Revision 1)

**U.S. Department of Energy
Performance Evaluation and Measurement Plan**



**Tank Operations Contract
Contract Number: DE-AC27-08RV14800, Rev.0
Washington River Protection Solutions, LLC**

**Fiscal Years 2022-2023
Performance Evaluation Period(s):**

October 1, 2021 through September 30, 2022

October 1, 2022 through September 30, 2023

Issued by:

Brian T. Vance

Digitally signed by Brian T. Vance
Date: 2021.12.09 14:01:17 -08'00'

**Brian T. Vance
Fee-Determining Official
U.S. Department of Energy,
Hanford Site**

Date

TABLE OF CONTENTS

INTRODUCTION.....	J.4-1
Fee Concept	J.4-1
Allocation of Fee Pools.....	J.4-2
Total Available Fee Alignment and Earnings in the Event of Early Contract Termination.....	J.4-2
Evaluation Process	J.4-2
Contractor Self-Assessment.....	J.4-2
Monthly Performance Based Incentive Completion Submittal	J.4-3
Performance Measurement and Evaluation Plan Change Control.....	J.4-3
Minor Changes Not Affecting Fee or Process	J.4-3
Changes Affecting Fee or Process	J.4-3
References.....	J.4-3
PERFORMANCE BASED INCENTIVES.....	J.4-5
PBI-67, Tank-Side Cesium Removal and Waste Feed Delivery	J.4-6
PBI-68, Retrieval and Closure	J.4-8
PBI-69, Operations and Integrity	J.4-11
PBI-70, Waste Treatment and Immobilization Plant Transition Support.....	J.4-16
SUBJECTIVE AWARD-FEE.....	J.4-18
SUBJECTIVE AWARD-FEE EVALUATION CRITERIA.....	J.4-19
SEA 1 – Management of Hanford Tank Farms and Business Operations.....	J.4-20
SEA 2 – Conduct of Operations, Engineering, Maintenance, and Nuclear Safety.....	J.4-23
SEA 3 – Environment, Safety, Health, and Quality	J.4-25

LIST OF TABLES

TABLE 1. Award-Fee Pools by PEP	J.4-2
TABLE 2. Objective Fee Pool PBI.....	J.4-5
TABLE 3. TSCR and Waste Feed Delivery PBI.....	J.4-6
TABLE 4. Retrieval and Closure PBI.....	J.4-8
TABLE 5. Operations and Integrity PBI	J.4-11
TABLE 6. WTP Transition Support PBI.....	J.4-16
TABLE 7. Subjective Award-Fee SEA	J.4-19

LIST OF ATTACHMENTS

ATTACHMENT 1: Performance Evaluation and Measurement Plan Change Request

ABBREVIATIONS AND ACRONYMS

CCD	Construction Completion Document
CD	consent decree
CO	contracting officer
COVID-19	coronavirus disease 2019
DFLAW	Direct-Feed Low-Activity Waste
DOE	U.S. Department of Energy
DSA	Documented Safety Analysis
ETF	Effluent Treatment Facility
FAR	<i>Federal Acquisition Regulation</i>
FDO	Fee-Determining Official
FY	fiscal year
HLMI	Hanford Laboratory Management and Integration, LLC
ITDC	Integrated Tank Disposition Contract
LAW	Low-Activity Waste
LERF	Liquid Effluent Retention Facility
ORC	Operational Readiness Checklist
PBI	Performance Based Incentive
PEMP	Performance Evaluation and Measurement Plan
PEP	Performance Evaluation Period
QSR	Quality Surveillance Report
SEA	Special Emphasis Area
TOC	Tank Operations Contract
TPA	Tri-Party Agreement (aka <i>Hanford Federal Facility Agreement and Consent Order</i>)
TSCR	Tank-Side Cesium Removal
WTP	Waste Treatment and Immobilization Plant

INTRODUCTION

In accordance with *Federal Acquisition Regulation* (FAR) 16.401, “General,” this Performance Evaluation and Measurement Plan (PEMP) has been established for Contract No. DE-AC27-08RV14800, *Tank Operations Contract* (TOC). This PEMP utilizes a combination of objective Performance Based Incentives (PBIs) and subjective award-fee criteria to encourage contractor excellence in performing the operations, construction, and maintenance of the Hanford Tank Farms.

The PEMP gives the U.S. Department of Energy (DOE) a tool to identify and reward superior performance and incentivize the highest levels of excellence in specific focus areas, but not at the expense of safety, cost, schedule, or technical performance in the balance of scope. Furthermore, the PEMP defines the DOE approach for evaluating, documenting, and providing award-fee to the contractor for the execution of contract requirements, as defined in Contract No. DE-AC27-08RV14800.

Fee Concept

The total award-fee is made available to earn through two components: (a) objective award-fee, earned through the completion of PBIs; and (b) subjective award-fee, earned via the subjective evaluation of the contractor’s performance, in accordance with the subjective evaluation criteria outlined in this PEMP.

(a) Objective Award-Fee:

Emphasis is placed on objective PBIs that support, but are not limited to, work scope aligned with DOE Office of Environmental Management corporate metrics, DOE Office of Environmental Management priorities, the Federal Baseline, mission milestones, *Hanford Federal Facility Agreement and Consent Order* (i.e., Tri-Party Agreement [TPA]) Amended Consent Decree (CD) milestones, and operational needs.

(b) Subjective Award-Fee:

The contractor is required to accomplish and manage the balance of the TOC work scope that is not incentivized by objective award-fee. Much of this work, including support and/or deliverables, does not lend itself to be objectively measurable. Therefore, these efforts are measured subjectively by the criterion defined in this PEMP and are further evaluated by the Fee-Determining Official (FDO), who may use discretionary factors in determining the amount of subjective award-fee earned.

Each PBI will be considered a terminal milestone, unless otherwise stated, which will be evaluated during the applicable Performance Evaluation Period (PEP) on a pass/fail basis, in accordance with the specified completion criteria and terminal date. Should the contractor fail to meet the specified completion criteria and/or terminal date of the PBI, the contractor will forfeit 100 percent of the fee allocated to the PBI. Unearned fee is not available to be earned in any subsequent evaluation period. In the event of unsatisfactory performance in any subjective performance area; including safety and health; during the execution of a PBI, a reduction in PBI fee shall occur.

Allocation of Fee Pools

The valuation of PBIs will be determined by DOE, with consideration given to the value of the incentivized work scope, mission and/or regulatory significance, and other means in which the scope may be incentivized; including incentives implemented in prior PEPs.

Upon valuation of the PBIs, the remaining total available-fee pool will be allocated as subjective award-fee to be earned via the subjective evaluation of the contractor's performance, in accordance with the subjective evaluation criteria outlined in this PEMP (see Table 1). At no point are the fee pools required to maintain an agreed-upon split represented either by a percentage or a dollar value.

Table 1. Award-Fee Pools by PEP

Award-Fee Available	FY 2022 PEP Value	FY 2023 PEP Value
Objective Award-Fee	\$30,695,000.00	\$28,447,500.00
Subjective Award-Fee	Remainder of the FY 2022 Available Fee Pool	Remainder of the FY 2023 Available Fee Pool
Total Award Fee Available	To Be Determined	To Be Determined

FY = fiscal year.

PEP = Performance Evaluation Period.

Total Available Fee Alignment and Earnings in the Event of Early Contract Cessation

In the event of early contract cessation in accordance with Section H, *Special Contract Requirements*, the remaining fee associated with in-progress PBIs that have not surpassed their terminal date(s) will be reallocated to the subjective fee pool and equally distributed among the Special Emphasis Areas (SEAs) to be earned based on the subjective evaluation of the contractor's performance.

Upon conclusion of each PEP, the available-fee pool by PEP may be adjusted to account for pending contract changes and any work not to be performed within the period of performance that may affect the total available-fee pool for the PEP.

Evaluation Process

DOE will evaluate and measure performance against the subjective award-fee criteria on a quarterly basis, in accordance with DOE-PRO-AM-50472, *Cost Plus Award Fee Administration*.

At the end of a PEP, the FDO and performance evaluation board will evaluate the contractor's performance and assign adjectival ratings to the subjective award-fee, based on performance during the entirety of the applicable PEP.

Contractor Self-Assessment

Within 10 calendar days following the conclusion of a PEP, the contractor shall submit a self-assessment.

The contractor self-assessment shall be self-critical and must address both the strengths and weaknesses, as well as opportunities for improvement, of the contractor's performance during

the PEP. Where deficiencies in performance are noted, the contractor shall describe the actions planned or taken to correct such deficiencies to avoid their recurrence. The contractor shall provide an electronic copy of the self-assessment report to the DOE contracting officer (CO).

Monthly Performance Based Incentive Completion Submittal

Within 10 working days after the end of a calendar month, the contractor shall provide the DOE CO with a list of the PBIs completed in that month and supporting documentation demonstrating completion of the PBIs, in accordance with the defined completion criteria. The contractor will provide an electronic copy of its monthly PBI completion report to the CO.

Performance Evaluation and Measurement Plan Change Control

Proposed changes to the PEMP may be initiated via the "Performance Evaluation and Measurement Plan Change Request" (see Attachment 1).

Minor Changes Not Affecting Fee or Process

Changes to the PEMP that do not affect the award-fee criteria or process may be made and implemented unilaterally by DOE at any time, without the concurrence of the contractor. These changes include editorial clarifications; establishment of the total available-fee pool, including valuation of objective and subjective elements following contract negotiations; and/or other insignificant changes not affecting award-fee criteria or processes.

Changes Affecting Fee or Process

Changes to the PEMP may be made unilaterally by DOE before the start of a new PEP. Examples of such changes may include changing evaluation criteria, modifying objective PBI completion criteria and/or terminal dates, and revising the distribution of fee dollars. Such changes will take effect at the start of the new evaluation period.

After an evaluation period has begun, DOE and the contractor shall make every attempt at negotiating changes by the mutual agreement of the parties. However, if the removal and/or addition of PBIs is deemed necessary during the PEP, DOE may unilaterally add, modify, and/or remove PBIs and/or adjust the distribution of fee dollars. Adjustments to the distribution of fee may include reallocation of objective fee to the subjective-fee pool for deleted and/or modified PBIs, reallocation of subjective-fee to the objective-fee pool for new PBIs, and increases or reductions in the total available-fee pool, to be allocated at the discretion of DOE, that may result from the addition or deletion of work scope to the TOC. Such changes will take effect upon the contractor's receipt of the revised PEMP.

References

10 CFR 830, "Nuclear Safety Management," *Code of Federal Regulations*, et seq.

Contract No. DE-AC27-08RV14800, *Tank Operations Contract*, Washington River Protection Solutions LLC, U.S. Department of Energy, Office of River Protection, Richland, Washington, as amended.

DOE G 424.1-1B, *Implementation Guide for Use in Addressing Unreviewed Safety Question Requirements*, U.S. Department of Energy, Washington D.C.

DOE O 422.1, *Conduct of Operations*, U.S. Department of Energy, Washington D.C.

DOE-PRO-AM-50472, *Cost Plus Award Fee Administration*, U.S. Department of Energy, Richland, Washington, as amended.

Ecology, EPA, and DOE, 1989, *Hanford Federal Facility Agreement and Consent Order*, Washington State Department of Ecology, U.S. Environmental Protection Agency, and U.S. Department of Energy, Olympia, Washington, as amended.

FAR 16.401, "General," *Federal Acquisition Regulation*, as amended.

HNF-14755, *242-A Evaporator Documented Safety Analysis*, Washington River Protection Solutions LLC, Richland, Washington, as amended.

RPP-13033, *Tank Farms Documented Safety Analysis*, Washington River Protection Solutions LLC, Richland, Washington, as amended.

RPP-RPT-58932, Rev. 01, *241-AX-101 Tank Waste Retrieval Work Plan*, Washington River Protection Solutions LLC, Richland, Washington, as amended.

PERFORMANCE BASED INCENTIVES

Table 2. Objective Fee Pool PBI

Performance Based Incentive	FY 2022 PEP Value	FY 2023 PEP Value
PBI-67, Tank-Side Cesium Removal and Waste Feed Delivery	\$5,175,000.00	\$3,652,500.00
PBI-68, Retrieval and Closure	\$3,190,000.00	\$13,593,750.00
PBI-69, Operations and Integrity	\$18,560,000.00	\$10,766,250.00
Total Objective Expense Fee Available	\$26,925,000.00	\$28,012,500.00
PBI-70, Waste Treatment and Immobilization Plant Transition Support	\$3,770,000.00	\$435,000.00
Total Objective ORP-0070 Fee Available	\$3,770,000.00	\$435,000.00
Total Objective Fee Available	\$30,695,000.00	\$28,447,500.00

FY = fiscal year.

PEP = Performance Evaluation Period.

PBI-67, Tank-Side Cesium Removal and Waste Feed Delivery

Table 3. TSCR and Waste Feed Delivery PBI

Milestone	Method	Fee Value	Due Date	Fund Type
67.01	Terminal	\$1,522,500.00	January 31, 2022	Expense
67.02	Terminal	\$3,652,500.00	September 30, 2022	Expense
67.03	Terminal	\$3,652,500.00	December 31, 2022	Expense
Total		\$8,827,500.00		

Fee Bearing Milestones

- 67.01 Initiate Tank-Side Cesium Removal (TSCR) system operations by January 31, 2022. The contractor shall earn \$1,522,500.00 fee upon completion.

Completion Criteria

Initiate TSCR system operations in accordance with procedure TO-270-700, *Operate TSCR*, to conduct system start up and demonstrate that pre-treated waste is being transferred from Tank 241-AP-107 to Tank 241-AP-106.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the completed pre-requisites checklist for procedure TO-270-700, and a copy of the data sheets documenting the initiation of TSCR system operations.

- 67.02 Complete one TSCR batch by September 30, 2022. The contractor shall earn \$3,652,500.00 fee upon completion.

Completion Criteria

Complete one TSCR batch, which is defined as pre-treating waste from Tank 241-AP-107 to Tank 241-AP-106 to a point where two ion exchange columns are loaded and require replacement for continued operations.

Completion Document

Letter transmitting the performance expectation completion notice and a letter report documenting completion of one TSCR batch.

- 67.03 Complete readiness to perform transfer of pre-treated Direct-Feed Low-Activity Waste (DFLAW) to the Waste Treatment and Immobilization Plant (WTP) by December 31, 2022. The contractor shall earn \$3,652,500.00 fee upon completion.

Completion Criteria

Complete readiness to perform transfer of pre-treated DFLAW from Tank 241-AP-106 to the WTP, in accordance with procedure TO-050-008, *Transfer from 241-AP-106 to WTP*.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the completed readiness to perform checklist for procedure TO-050-008.

PBI-68, Retrieval and Closure

Table 4. Retrieval and Closure PBI

Milestone	Method	Fee Value	Due Date	Fund Type
68.01	Terminal	\$2,356,250.00	December 31, 2022	Expense
68.02	Terminal	\$290,000.00	August 31, 2022	Expense
68.03	Terminal	\$5,437,500.00	September 30, 2023	Expense
68.04	Terminal	\$1,015,000.00	September 30, 2022	Expense
68.05	Terminal	\$1,015,000.00	September 30, 2023	Expense
68.06	Terminal	\$1,885,000.00	September 30, 2022	Expense
68.07	Terminal	\$4,350,000.00	September 30, 2023	Expense
68.08	Terminal	\$435,000.00	September 30, 2023	Expense
Total		\$16,783,750.00		

Fee Bearing Milestones

- 68.01 Complete and submit the retrieval completion certification report for Tank 241-AX-103 to DOE by December 31, 2022. The contractor shall earn \$2,356,250.00 fee upon completion.

Completion Criteria

Complete and submit the final retrieval completion certification report for Tank 241-AX-103 to the DOE in support of CD Milestone D-16B-02, "Complete Retrieval of Tank Wastes from the Following SSTs in Tank Farms A and AX: A-101, A-102, A-104, A-105, A-106, AX-101, AX-102, AX-103, and AX-104."

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the retrieval completion certification report for Tank 241-AX-103.

- 68.02 Complete and submit the retrieval completion certification report for Tank 241-AX-104 to the DOE by August 31, 2022. The contractor shall earn \$290,000.00 fee upon completion.

Completion Criteria

Complete and submit the final retrieval completion certification report for Tank 241-AX-104 to the DOE in support of CD Milestone D-16B-03, "Of the 12 SSTs Referred to in B-1 and B-2, Complete Retrieval of Tank Wastes in at Least 5."

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the retrieval completion certification report for Tank 241-AX-104.

- 68.03 Initiate waste retrieval field operations and retrieve 50 percent of the initial waste volume for Tank 241-AX-101 by September 30, 2023. The contractor shall earn \$5,437,500.00 fee upon completion.

Completion Criteria

Initiate waste retrieval field operations and retrieve 50 percent of the initial waste volume for Tank 241-AX-101 in support of CD Milestone D-16B-02. Retrieval of 50 percent of the initial waste volume shall be based upon initial volume determined from the latest best basis inventory information or a pre-retrieval volume determination. The retrieved volume will be an estimate based on material balance calculation.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the material balance data and engineering calculations demonstrating 50 percent retrieval of the initial waste volume.

- 68.04 Perform vadose zone direct push characterization for 241-U Tank Farm by September 30, 2022. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Perform vadose zone direct push characterization for 241-U Tank Farm, to include collection of an average of six samples from five locations in 241-U Tank Farm. Completion shall include quick-turn sample analyses and analytical reporting to include soil moisture, technetium, and nitrate concentrations.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the letter report documenting sample locations and depths, a copy of the sampling chain of custody form(s), and a copy of the quick-turn sample analyses.

- 68.05 Perform vadose zone direct push characterization for Waste Management Area A/AX by September 30, 2023. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Perform vadose zone direct push characterization for Waste Management Area A/AX, to include collection of an average of three shallow (i.e., within 15 feet below ground surface) soil samples from approximately twenty direct push locations and an average of seven deeper (i.e., between 15 feet and approximately 240 feet below ground surface) soil samples from five direct push locations. Completion shall include quick-turn sample analyses and analytical reporting to include soil moisture, technetium, and nitrate concentrations.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the letter report documenting sample locations and depths, a copy of the sampling chain of custody form(s), and a copy of the quick-turn sample analyses.

- 68.06 Complete installation of the 241-U Tank Farm evapotranspiration basin by September 30, 2022. The contractor shall earn \$1,885,000.00 fee upon completion.

Completion Criteria

Complete installation of the 241-U Tank Farm evapotranspiration basin to include

basin excavation, liner installation, and drainage system installation thus making the basin and draining system area ready for planting to support TPA Milestone M-045-92AB, "Complete Construction of Barrier 4 in 241-U Farm."

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 68.07 Complete installation of the 241-U Tank Farm interim surface barrier by September 30, 2023. The contractor shall earn \$4,350,000.00 fee upon completion.

Completion Criteria

Complete installation of the 241-U Tank Farm interim surface barrier; to include the storm water conveyance system, and provide the necessary documentation to DOE to support TPA Milestone M-045-92AB.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 68.08 Complete conceptual design, prototype fabrication, and testing for the Tank 241-A-104 Dry Waste Retrieval System (DWRS) tool by September 30, 2023. The contractor shall earn \$435,000.00 fee upon completion.

Completion Criteria

Complete conceptual design, prototype fabrication, and testing for the Tank 241-A-104 DWRS tool to support Tank 241-A-104 retrieval.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the letter report documenting the conceptual design, prototype fabrication, and testing of the DWRS tool.

PBI-69, Operations and Integrity

Table 5. Operations and Integrity PBI

Milestone	Method	Fee Value	Due Date	Fund Type
69.01	Terminal	\$6,525,000.00	September 30, 2022	Expense
69.02	Terminal	\$2,356,250.00	September 30, 2022	Expense
69.03	Terminal	\$1,268,750.00	September 30, 2022	Expense
69.04	Terminal	\$2,682,500.00	September 30, 2023	Expense
69.05	Terminal	\$1,268,750.00	September 30, 2022	Expense
69.06	Terminal	\$4,531,250.00	September 30, 2022	Expense
69.07	Terminal	\$290,000.00	June 30, 2022	Expense
69.08	Terminal	\$6,525,000.00	June 30, 2023	Expense
69.09	Terminal	\$543,750.00	September 30, 2023	Expense
69.10	Terminal	\$1,015,000.00	September 30, 2022	Expense
69.11	Terminal	\$290,000.00	September 30, 2022	Expense
69.12	Terminal	\$1,015,000.00	September 30, 2022	Expense
69.13	Terminal	\$1,015,000.00	September 30, 2023	Expense
Total		\$29,326,250.00		

Fee Bearing Milestones

69.01 Complete installation and turnover of Effluent Treatment Facility (ETF) upgrades to support readiness for DFLAW Hot Commissioning by September 30, 2022. The contractor shall earn \$6,525,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the following ETF upgrades to support readiness for DFLAW Hot Commissioning:

- Install acetonitrile treatment system,
- Install acetonitrile distillate storage tank,
- Install Distillate Transfer System,
- Install Carbon Dioxide Membrane System,
- Install additional chiller,
- Install enhanced leak detection (i.e., 200-E-310-PL, 200-E-311-PL, and PC-5000 transfer lines leak detection),
- Install instrument air system upgrade, and
- Replace motor control center.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the Construction Completion Document (CCD), where applicable.

- 69.02 Complete installation and turnover of ETF enhancements for improved DFLAW operations by September 30, 2022. The contractor shall earn \$2,356,250.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the following ETF enhancements to support improved throughput during DFLAW operations and minimize facility down time for filter change outs:

- Install 2025ED load-in station building expansion, and
- Install redundant filtration system.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 69.03 Complete installation and turnover of ETF infrastructure upgrades by September 30, 2022. The contractor shall earn \$1,268,750.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the following ETF infrastructure upgrades to improve overall facility and system reliability during DFLAW operations:

- Replace vessel offgas system;
- Replace balance of monitoring and control system components, to include the remaining utilities (i.e., LCU-5, LCU-6, and LCU-H) and TEDF local control units (i.e., LCU-10, LCU-16, and LCU-20); and
- Install freeze protection.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 69.04 Complete installation and turnover of ETF upgrades to support secondary waste management during DFLAW operations by September 30, 2023. The contractor shall earn \$2,682,500.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the following ETF upgrades to support secondary waste management during DFLAW operations:

- Install modular grout system, and
- Install ETF brine storage tanks (i.e., Tanks 2025EH-60L-TK-001, 2025EH-60L-002, 2025EH-60L-003, and 2025EH-60L-004).

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 69.05 Complete implementation and readiness of the Liquid Effluent Retention Facility (LERF) safety basis by September 30, 2022. The contractor shall earn \$1,268,750.00 fee upon completion.

Completion Criteria

Complete implementation and readiness of the LERF safety basis to include:

- Implement and turnover the LERF Inventory Tracker safety software to operations, and
- Complete the LERF Operational Readiness Review and issue the contractor's Readiness to Proceed Memorandum to DOE requesting commencement of the DOE Operational Readiness Review.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the completed ORC for the LERF Inventory Tracker safety software, and a copy of the contractor's Readiness to Proceed Memorandum.

- 69.06 Complete construction and turnover of the LERF Basin 41 by September 30, 2022. The contractor shall earn \$4,531,250.00 fee upon completion.

Completion Criteria

Complete construction and turnover of the LERF Basin 41.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package(s) signature page, and a copy of the CCD, where applicable.

- 69.07 Complete testing and turnover of the 242-A Evaporator Documented Safety Analysis (DSA) system upgrades by June 30, 2022. The contractor shall earn \$290,000.00 fee upon completion.

Completion Criteria

Complete testing and turnover of the 242-A Evaporator DSA system upgrades.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance a copy of the CCD, where applicable.

- 69.08 Complete installation and turnover of the 242-A slurry and feed line replacement by June 30, 2023. The contractor shall earn \$6,525,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the 242-A slurry and feed line replacement.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance a copy of the CCD, where applicable.

- 69.09 Complete one 242-A Evaporator waste volume reduction campaign by September 30, 2023. The contractor shall earn \$543,750.00 fee upon completion.

Completion Criteria

Complete one 242-A Evaporator waste volume reduction campaign to achieve a cumulative reduction of 165,000 gallons of waste volume, resulting in increased double-shell tank space availability.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the process engineering memo(s) demonstrating that waste volume reduction, in accordance with the completion criteria, has been achieved.

- 69.10 Complete installation and turnover of the 222-S Laboratory office complex by September 30, 2022. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the 222-S Laboratory office complex.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance a copy of the CCD, where applicable.

- 69.11 Complete installation and turnover of the Multi-Craft Maintenance Facility by September 30, 2022. The contractor shall earn \$290,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the Multi-Craft Maintenance Facility.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 69.12 Complete installation and turnover of the Tank 241-AP-105 transfer pump replacement by September 30, 2022. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the Tank 241-AP-105 transfer pump replacement.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

- 69.13 Complete installation and turnover of the Tank 241-AY-101 transfer pump replacement by September 30, 2023. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Complete installation and turnover of the Tank 241-AY-101 transfer pump replacement.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the work package signature page approved through Operations Acceptance, and a copy of the CCD, where applicable.

PBI-70, Waste Treatment and Immobilization Plant Transition Support

Table 6. WTP Transition Support PBI

Milestone	Method	Fee Value	Due Date	Fund Type
70.01	Terminal	\$435,000.00	June 30, 2022	ORP-0070
70.02	Terminal	\$1,015,000.00	June 30, 2022	ORP-0070
70.03	Terminal	\$435,000.00	September 30, 2022	ORP-0070
70.04	Terminal	\$1,885,000.00	September 30, 2022	ORP-0070
70.05	Terminal	\$435,000.00	September 30, 2023	ORP-0070
Total		\$4,205,000.00		

Fee Bearing Milestones

- 70.01 Complete fabrication of four sets of eighteen spare Low-Activity Waste (LAW) Melter bubblers by June 30, 2022. The contractor shall earn \$435,000.00 fee upon completion.

Completion Criteria

Complete fabrication of four sets of eighteen (e.g., 1 year's operational supply) spare LAW Melter bubblers, to include submittal of the Quality Surveillance Report (QSR) demonstrating completion of fabrication.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the QSR released through Smart Plant Foundation.

- 70.02 Complete procurement of bulk materials for fabrication of LAW Melter assemblies by June 30, 2022. The contractor shall earn \$1,015,000.00 fee upon completion.

Completion Criteria

Complete procurement, including receipt and acceptance, of bulk materials (i.e., Inconel and Hastelloy material) for fabrication of LAW Melter #4.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the documentation demonstrating receipt and acceptance of the bulk materials.

- 70.03 Complete procurement of 200 LAW off-gas HEPA filters by September 30, 2022. The contractor shall earn \$435,000.00 fee upon completion.

Completion Criteria

Complete procurement of 200 LAW off-gas HEPA filters, to include submittal of the QSR demonstrating completion of procurement/fabrication.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the QSR release through Smart Plant Foundation.

- 70.04 Complete installation of the LAW Melter Assembly Storage Facility systems by September 30, 2022. The contractor shall earn \$1,885,000.00 fee upon completion.

Completion Criteria

Complete installation of the LAW Melter Assembly Storage Facility systems necessary to support the receipt of the fabricated melter(s), melter lid(s), and melter appurtenances enabling final melter assembly.

Completion Document

Letter transmitting the performance expectation completion notice, a copy of the notification of construction completion of the LAW Melter Assembly Storage Facility systems, and a copy of the photograph(s) demonstrating completion of the LAW Melter Assembly Storage Facility systems; in accordance with the completion criteria.

- 70.05 Complete installation and drying of castable refractory for the lid of LAW Melter #3 by September 30, 2023. The contractor shall earn \$435,000.00 fee upon completion.

Completion Criteria

Complete installation and drying of castable refractory for the lid of LAW Melter #3, including submittal of the QSR demonstrating completion of the installation and drying process.

Completion Document

Letter transmitting the performance expectation completion notice and a copy of the QSR released through Smart Plant Foundation.

SUBJECTIVE AWARD-FEE

The subjective award-fee pool will be evaluated by performance monitors; in accordance with DOE-PRO-AM-50472, *Cost Plus Award Fee Administration*, and the criteria outlined in this PEMP. Upon completion of a PEP, DOE will evaluate the contractor's performance against the subjective award-fee criteria and will assign adjectival ratings for each SEA which will be used to determine the subjective award-fee to be earned for a PEP.

The subjective award-fee dollars earned will be the product of the subjective award-fee available and the percent of subjective award-fee to be earned, as determined by the FDO, in accordance with the ranges and criteria prescribed in FAR 16.401, Table 16-1, below.

FAR 16.401, "General," Table 16-1
ADJECTIVAL RATINGS & APPLICABLE PERCENTAGES FOR FEE EARNED

Award-Fee Adjectival Rating	Award-Fee Pool Available To Be Earned	Description
Excellent	91%-100%	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Very Good	76%-90%	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Good	51%-75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Satisfactory	No Greater Than 50%	Contractor has met overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.
Unsatisfactory	0%	Contractor has failed to meet overall cost, schedule, and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period.

While specific subjective evaluation-criterion have been noted, DOE may evaluate the contractor on its overall performance and compliance with contract terms and conditions; as well as applicable standards and requirements; which could result in additional adjustments to the overall rating of the total subjective award-fee, at the discretion of the FDO. The overall evaluation of the contractor's performance will take into consideration the responsiveness to, and management of, performance and assessment areas needing attention, as identified by contractor self-assessments, DOE assessments, and external reviews throughout the PEP.

Table 7. Subjective Award-Fee SEA

Special Emphasis Area	FY 2022 PEP Value	FY 2023 PEP Value
Management of Hanford Tank Farms and Business Operations	40% of the Available Subjective Award-Fee Pool	40% of the Available Subjective Award-Fee Pool
Conduct of Operations, Engineering, Maintenance, and Nuclear Safety	35% of the Available Subjective Award-Fee Pool	35% of the Available Subjective Award-Fee Pool
Environment, Safety, Health, and Quality	25% of the Available Subjective Award-Fee Pool	25% of the Available Subjective Award-Fee Pool
Total Subjective Award-Fee Pool	Remainder of the FY 2022 Available Fee Pool	Remainder of the FY 2023 Available Fee Pool

FY = fiscal year.

PEP = Performance Evaluation Period.

SUBJECTIVE AWARD-FEE EVALUATION CRITERIA

In any emphasis area, the contractor will be evaluated on its ability to maintain safe and compliant operations in accordance with regulatory and contractual requirements. Consideration of the contractor's performance will include effective management at all levels, overall or specific risk reductions, and contractor efficiencies (e.g., responsiveness, reduced costs, etc.) created or generated in the conduct of work.

Furthermore, the contractor will be evaluated on its ability to identify and implement continuous improvement opportunities to overcome inefficiencies and actively identify repeatable opportunities for improvement in other programs and/or projects. Efforts should include collaboration with other organizations and DOE contractors to share applicable lessons learned, innovative solutions, potential cost saving initiatives, improvements, and efficiencies. The contractor should work proactively with the Hanford Office of Communications to support enhanced communications and collaboration with all key stakeholders and other Hanford contractors. Furthermore, the contractor is expected to demonstrate proactive communication with corporate officials and parent companies to identify project issues early and resolve.

The contractor is expected to utilize critical self-assessments and meaningful performance indicators to monitor program health and performance against program goals and/or requirements. Additionally, contractor evaluations will include the timely notification and resolution of non-compliances and/or other external-identified, contractor-identified, and self-revealing issues, as well as the effectiveness of the contractor's corrective actions in any program.

To be minimally acceptable, all of the contractor's formal products required by contract, DOE order, regulation, procedure, plan, or DOE written direction shall be complete, accurate, and on schedule.

SEA 1 – Management of Hanford Tank Farms and Business Operations

Management of Hanford Tank Farms

- Manage, safely and compliantly, the Hanford Tank Farms to treat tank waste, close Hanford tanks, and support the DFLAW mission through demonstrated safety leadership and risk-informed, conservative decision-making to maintain the integrity and readiness of the tank farms and ancillary facilities for DFLAW.
- Support the DFLAW program through effective management of physical and data interfaces between projects, resolution of technical and operational gaps that may impact DFLAW operations, and submittal of quality team products that are fully developed and supported by clear and sound basis.
- Enhance communications, teamwork, and trust between DFLAW program partners to unify all aspects of the integrated DFLAW program while effectively coordinating DFLAW projects to ensure competing and/or unaligned priorities are identified and resolved between contractors and/or are elevated through the DFLAW program. Effectively manage, schedule, and track interfaces between projects so that the integrated DFLAW program is completed successfully and that the DFLAW portfolio of projects operate as an integrated system without gaps or conflicts at the project and/or contractor interfaces. Ensure solutions brought to DOE are timely and represent best value outcomes, products are fully developed with specific actions and vetted recommendation as necessary, and that resulting actions are tracked to closure.
- Maintain integrity and readiness through routine testing and inspection of the tank farms and ancillary facilities including, but not limited to, single-shell tanks, double-shell tanks, the waste transfer system, and mission critical facilities (i.e., the 242-A Evaporator, the Liquid Waste Processing Facility, etc.). Testing and inspection methods include, but are not limited to, camera visual inspection, pneumatic and hydrostatic pressure testing, and non-destructive examination via ultrasonic testing and/or other means. Where deficiencies and/or degradation are identified, the contractor will be evaluated on its responsiveness and management efforts to correct the occurrence and/or mitigate associated risks.

Business Operations

- Maintain a compliant and effective, integrated Earned Value Management System from which cost and schedule performance can be evaluated. Favorable and/or unfavorable cost and schedule performance shall be communicated to DOE to include, at a minimum, a variance analysis containing the issue, cause, impact, mitigation strategy, and/or corrective action, etc. The contractor will also be evaluated on other objective and/or subjective elements related to cost and schedule performance to include, but are not limited to, critical path and float analysis, identification of cost and schedule savings, and schedule health metrics. Additionally, the contractor will be evaluated on its efforts to support development of the integrated Hanford Life-Cycle Cleanup Baseline.
- Identify project and program risks, triggers, and handling actions, including the effectiveness of risk program management and the use of the Enterprise Risk and

Opportunity Management System. Risk registers shall be updated regularly and in a timely manner to include new risks and/or opportunities, realization of risks, impacts, and effectiveness of handling actions. The contractor will be evaluated on proactive measures taken to identify and mitigate project risks.

- Maintain a compliant estimating system with respect to the U.S. Government Accountability Office's 12-step cost estimating processes and best practices. The estimating system and the processes shall be reviewed for accuracy of estimates and to determine if process changes or improvements are needed.
- Demonstrate effective subcontract management, including award of subcontracts as scheduled, and inclusion of all requirements, subcontractor audits, and subcontract administration. The contractor will monitor subcontractor performance to ensure compliance with all requirements, including small business subcontracting plans, the *Buy American Act*, and applicable labor statutes.
- Demonstrate effective use of domestic suppliers of personal protective equipment and achieving on-time delivery of personal protective equipment.
- Demonstrate proactive communication with Corporate Official parent companies to identify project issues early and resolve.
- Occupational Safety and Health Administration coronavirus disease 2019 (COVID-19) related recordable accidents and/or incidents in the Computerized Accident/Incident Reporting System or total recordable case and/or days away, restricted, or transferred data will not be used in evaluating contractor performance. However, if the contractor has demonstrated poor performance in maintaining COVID-19 protocols (e.g., maintaining appropriate industrial hygiene practices or correcting social distancing procedures after a COVID-19 related situation has been brought to its attention), that failure may be considered in the evaluation.
- Provide justification of contract change proposals and requests for equitable adjustment. Change proposals and requests for equitable adjustment should be complete and of high quality in order to support DOE target for definitization within 180 calendar days. The contractor will be evaluated on the contractor's quality of, and/or responsiveness to, requests for rough order of magnitude estimates and schedules, Requests for Proposal, and contract change proposals.
- Support integration with the WTP through system planning and modeling focusing on long-term River Protection Project mission planning, including TPA milestones, and evaluation of near-term opportunities to accelerate and/or enhance mission objectives. This includes timely issuance of baseline planning basis, near-term planning basis, additional evaluation(s) of near-term and long-term opportunities, and maintenance of the primary modeling tool.
- The contractor will be evaluated on its performance toward achieving and/or maintaining schedule progress on TPA milestones, CD milestones, and other critical milestones to support the mission.

Contract Transition (if applicable)

- Conduct transition of the Hanford TOC work scope to the new contractor for the Hanford Integrated Tank Disposition Contract (ITDC) in a manner that maintains continuity of operations and avoids and/or minimizes disruptions to accomplishing the DOE Hanford mission.
- Engage with the ITDC contractor upon award and issuance of the Notice to Proceed, with transition to include weekly transition meetings with DOE and the ITDC contractor. The evaluation will include, but is not limited to, adherence with the contract transition plan, the contractor's efforts to facilitate a smooth transition to the ITDC contractor, and to perform due diligence of the facilities, equipment, and processes being transferred.
- Complete formal transfer of all equipment and waste inventories, procurement and interface agreements, subcontracts, permits, licenses, policies, plans, procedures, design and engineering media, schedules, project controls tools, risk management records, training and workforce records, and corrective action systems. (This list is not all-inclusive.)
- Prepare transition completion criteria that documents transition verification checklists between DOE, the contractor, and the ITDC contractor that confirms all transition activities are completed to the satisfaction of each party. Following transition, the contractor shall deliver a signed transfer agreement between the contractor and the ITDC contractor to support DOE approval of the ITDC contractor's Declaration of Readiness to execute the contract.

SEA 2 – Conduct of Operations, Engineering, Maintenance, and Nuclear Safety

Conduct of Operations

- Maintain and implement a Conduct of Operations program in accordance with DOE O 422.1, *Conduct of Operations*, consisting of formal documentation, practices, and actions for implementing disciplined and structured operations that support mission success and promote worker, public, and environmental protection.
- Identify and implement continuous improvement initiatives that enhance safety, performance, work efficiency, and minimize the likelihood and consequences of human fallibility or technical and organizational system failures. The contractor's evaluation will include the application of appropriate work control measures in the planning and execution of work scope.

Conduct of Engineering and Maintenance

- Maintain configuration control/management of systems, manage system and equipment obsolescence, and utilize information from operation's research modeling. Evaluate and communicate facility and system health and performance regularly to identify and correct deficiencies and seek potential improvements.
- Support sustainable and reliable operations and maintenance of tank farm facilities through active participation in system engineering and reliability engineering programs. Maintain coordination between maintenance, operations, and engineering to collect and monitor data related to equipment performance, degradation and failure, and/or maintenance to identify opportunities to improve system and/or equipment reliability. The contractor's evaluation will include the effectiveness of maintenance programs, management of overdue and delinquent preventative maintenance tasks, condition of safety equipment, and the effect of aging equipment and components on system health.
- Develop and implement innovative solutions/technologies to improve safety, as low as reasonably achievable performance, cybersecurity, and work efficiencies. Evaluation of the contractor's performance will include the contractor's ability to demonstrate the effectiveness of implemented innovative solutions/technologies.
- Maintain compliant cyber security programs in accordance with the applicable DOE Order(s) to ensure information and information systems are properly maintained and protected against cyber security vulnerabilities. The contractor's cyber security program should include a risk management approach to analyzing threats and/or risks to information and information systems; risk-based decision making with consideration to security, cost, and mission effectiveness; and implementation of cyber security controls consistent with DOE guidance.

Nuclear Safety

- Maintain a nuclear safety program compliant with 10 CFR 830, "Nuclear Safety Management," to include an effective unreviewed safety question process in accordance with DOE G 424.1-1B, *Implementation Guide for Use in Addressing*

Unreviewed Safety Question Requirements, to identify and evaluate hazards. Should an inadequacy occur, the contractor will be evaluated on its ability to provide timely declaration and management of Potential Inadequacies in the Safety Analysis.

- Develop DSA amendments proactively to identify and resolve challenges to the safety basis review, and implementation of proposed changes prior to transmittal to DOE for approval. The contractor's evaluation will include performance in the completion of planned improvements identified in HNF-14755, *242-A Evaporator Documented Safety Analysis*, and RPP-13033, *Tank Farms Documented Safety Analysis*.

SEA 3 – Environment, Safety, Health, and Quality

Environmental

- Maintain compliance with environmental and regulatory requirements, manage regulatory interfaces, and coordinate permitting actions to include adequate time for DOE and regulatory review.
- Identify and implement innovative and proactive measures to the management of permitting actions to ensure approved permits and/or permit modifications are obtained in a timely manner to mitigate schedule risk.
- Provide timely and accurate input to Hanford Site environmental reports and site-wide compliance initiatives. The contractor's efforts shall include facilitation of timely and quality responses to inspections that are well coordinated between facility operations and DOE to maintain consistent communications with regulatory interfaces.

Safety Program Implementation

- Maintain and demonstrate safety program compliance with contract requirements, applicable standards, and regulations to ensure worker safety. Safety programs include, but are not limited to, industrial safety; industrial health, including beryllium; Radiological Control; emergency preparedness; and various safety culture programs. The contractor will be evaluated on the demonstrated effectiveness of its safety programs to promote a safety conscious work environment and culture in which employees feel free to raise safety concerns to management and/or regulators without fear of retaliation. This includes the fostering a culture that rewards proactive self-identification and the reporting of issues, including systemic weaknesses, and promotes a bias for action to resolve system weakness and issues leading to sustained continuous improvement.
- Strengthen safety program performance through demonstrated initiatives in work planning, training of staff, safety oversight of work, demonstrated integration among worker protection disciplines, and maintenance of job-specific work-exposure goals, where applicable.

Quality Assurance

- Demonstrate improvements, optimization, and effective implementation of a Quality Assurance Program and graded approach to quality that are compliant with contractually imposed standards and integrated throughout all supporting program plans and procedures. This includes the establishment of controls governing the acceptance and use of government-furnished software and software acquired from other Hanford contractors.
- Plan, schedule, and perform effective and rigorous quality assurance surveillances, assessments, and audits consistent with the contractor's graded approach to quality, including bias-based coverage for higher consequence processes and activities.

- Develop and implement enhanced procurement controls to ensure that subcontractors/suppliers are appropriately qualified for the scope of work and to ensure that services and/or delivered items are acceptable when first received from the subcontractor/supplier.

ATTACHMENT 1

PERFORMANCE EVALUATION AND MEASUREMENT PLAN CHANGE REQUEST

1. Initiator of Change Request:		2. Office Symbol:	3. Phone No:
4. Current Version of PEMP:	a. Revision No:	b. Change No:	5. Date of Request:
6. Reason for Request:			
7. Authority for Change: <div style="display: flex; justify-content: space-between;"> <div> a. Technical Direction Letter <input type="checkbox"/> b. Contracting Officer Letter <input type="checkbox"/> c. Baseline Change Proposal <input type="checkbox"/> d. Other <input type="checkbox"/> </div> <div>e. Explain reason for change here, if necessary: (required for Other)</div> </div>			
8. Section No. in PEMP of Change:			
9. Exact Wording: (rewrite the section with changes identified)			
10. Request Disposition: <div style="display: flex; justify-content: space-between;"> <div> a. Accepted, Change Implemented <input type="checkbox"/> b. Accepted with Changes <input type="checkbox"/> c. Rejected <input type="checkbox"/> d. Other <input type="checkbox"/> </div> <div>11. Comments: (including changes made, rejection reason, or other)</div> </div>			
12. Approved By:	13. Effective Date:	14. New PEMP Rev No/Change No.:	
		a. Rev No:	b. Change No.: